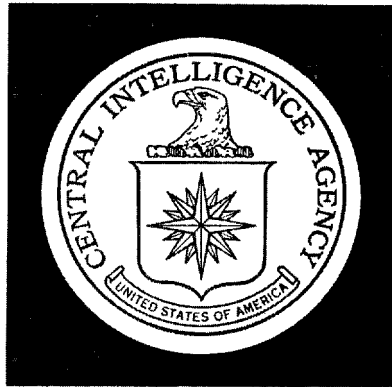


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DIA and DOS review(s) completed.

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Indonesia: Acting President Suharto, now that he has resolved the Sukarno problem, is turning his full attention to Indonesia's economic condition.

Suharto recognizes that economic stabilization is the country's most critical issue and believes that the penalty for failing to resolve this and other problems will be a dangerously resurgent Communist movement. One of Suharto's approaches has been to make further attempts to repair Indonesia's foreign economic ties. This week he privately urged the early delivery of assistance from the West, and he apparently is sending a mission to the Soviet Union next month to renegotiate incomplected Soviet aid projects.

The regime is also turning its attention to the inflationary pressures that have developed since the beginning of the year, following the initial success of new stabilization measures last fall. International Monetary Fund advisers have cautioned that economic measures must be implemented more effectively if Indonesia is to achieve financial stability.

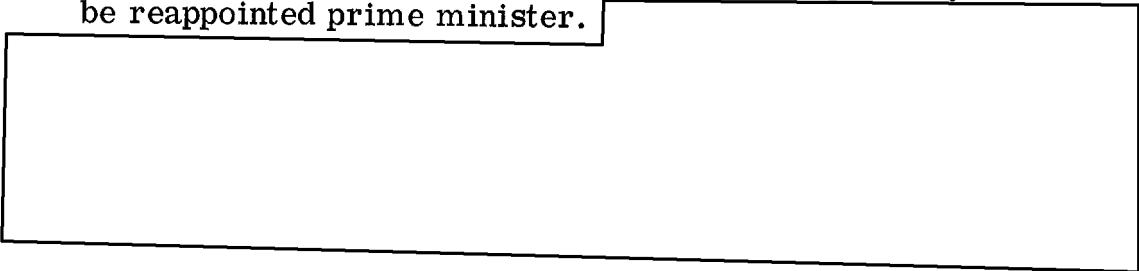
While concentrating on economic questions, Suharto is encouraging legislative action in preparation for elections, which are scheduled for no later than mid-1968. He and his military associates will be unwilling to face elections until they can show some economic progress, however, and speculation is already growing in Djakarta that the election schedule will not be met.

France: The government plans to resort to parliamentary maneuvers in order to maintain its supporters in key assembly posts.

According to the secretary of state for relations with parliament, the present cabinet will resign on 1 April. Those who have been elected deputies will participate in the elections of the assembly president and committee chairmen when the assembly convenes on 3 April. After this has been accomplished, these ministers will resign their assembly seats and be reappointed to the cabinet.

The constitution forbids members of the government to vote in parliament. Alternates can replace the ministers in the assembly after a period of 30 days.

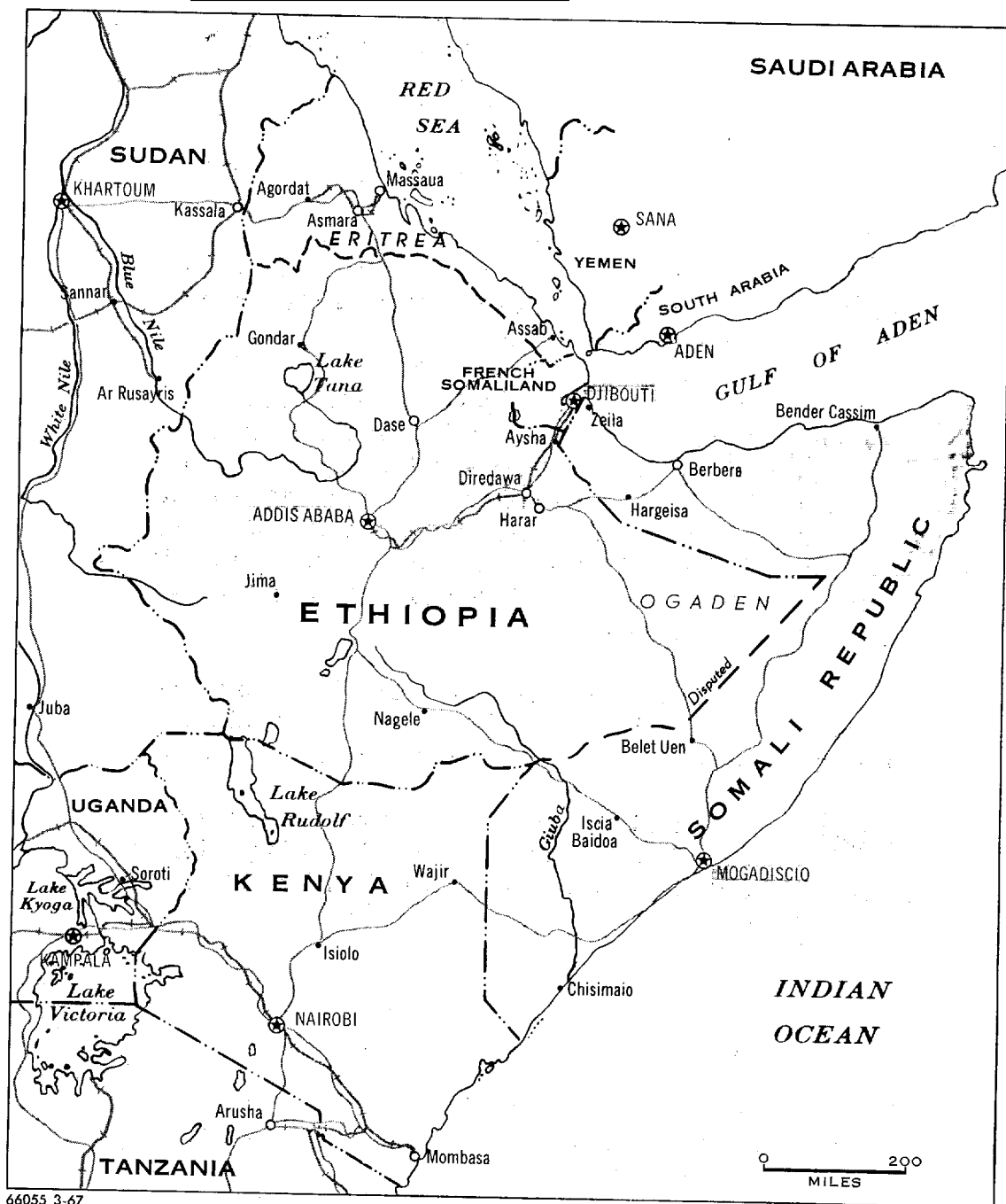
The source claims that the new government will be announced on 5 or 6 April. Pompidou will probably be reappointed prime minister.



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Map 87 CENTRAL INTELLIGENCE BULLETIN

Ethiopia - Somali Republic: Addis Ababa and Mogadiscio are preparing for trouble as the referendum in French Somaliland on 19 March approaches.

For the past several weeks, Mogadiscio has been reinforcing its troops in northern Somalia. Ethiopia on 15 March began to move one artillery and three infantry battalions to the French Somaliland border to reinforce two infantry battalions already there. An airborne battalion outside Addis Ababa is scheduled to move to Diredawa. Six Ethiopian F-5 jet fighters were ordered closer to the Somali-Ethiopian frontier on 17 March, and Ethiopian planes have been overflying Somali Republic territory to collect intelligence.]

Both Addis Ababa and Mogadiscio have told US officials that they will undertake no military offensive into French Somaliland unless the other side moves first. However, distrust between the two is so high that an incident could provoke hostilities.

According to the Ethiopian prime minister, the militant pro-independence Somali Popular Movement Party, which dominates the city of Djibouti, has stated that whatever the outcome of the vote, the party will declare the territory independent and call for assistance from Mogadiscio. The Somali Republic ambassador in Addis Ababa has alerted US officials there to expect a strong Somali reaction in Djibouti if the vote goes against independence.

The French should be able to contain Somali-instigated violence. About 3,500 French troops are stationed in French Somaliland, [and an aircraft carrier and a troop transport are scheduled to arrive by 19 March to land reinforcements and to evacuate the French civilians if necessary. The French reportedly have also been flying in riot police.]

Nigeria: The Federal Military Government has published a decree vesting stronger powers in the central government than Eastern Governor Ojukwu will accept.

Ojukwu agrees with the provision of the decree which puts all executive and legislative powers in the Supreme Military Council, of which he is a member. However, he has insisted on the retention of the principle of council unanimity in all matters affecting the regions. This principle is not embodied in the decree provisions, which grant the council power to declare a state of emergency in any region with the approval of three of the four governors and the head of the federal government. The decree also gives the council power to take appropriate measures against a region that attempts to secede.

Ojukwu probably will consider the decree illegal because he has not approved it. He may counter by taking control of all Eastern resources, an action the federal government could equate to secession.

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AFGHANISTAN-PAKISTAN Pushtun Tribal Area



Afghanistan-Pakistan: Afghan leaders' efforts to revive the quiescent Pushtunistan issue could adversely affect Kabul's relations with Pakistan.

Prime Minister Maiwandwal, discussing his 25 March to 9 April visit to Washington with the US ambassador, made a strong stand for inclusion of a reference to Pushtunistan in any communiqué that might be issued at the end of his visit. Maiwandwal stated that a stronger stand has been necessitated by pressure from his "extremist" political opponents. However, the prime minister probably sees in the Pushtunistan issue a means of strengthening popular support for his government.

Efforts by Kabul to promote an independent Pushtunistan in the tribal area of West Pakistan along the Afghan border caused recurrent crises in relations between the two countries between 1947 and 1963. The removal of the pro-Pushtun and anti-Pakistani Prime Minister Daud by the Afghan King in 1963, combined with increased Indo-Pakistani tension, led to improved relations between the two nations and a muting of the Pushtun issue.

Recent events suggest that the issue is being revived, and the largely government-controlled press is urging resumption of an active interest in Pushtunistan. The revival in part is a consequence of Afghan disappointment at the apparently negative results of King Zahir's visit to Rawalpindi last February.

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NOTE

Egypt- US: Egyptian and US policies in the Middle East are on a collision course, according to a 17 March editorial by Muhammad Haykal, Nasir's semiofficial spokesman. The situation, he said, obliges Egypt to "oppose and foil US policy objectives in the Middle East and other parts of the world." Haykal alleged that President Nasir had told Ambassador Battle that Egypt would withdraw its long-standing request for renewal of the US PL-480 wheat program.

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 17 March 1967 approved the following national intelligence estimate:

Memorandum to Holders of NIE 27.1-67, "Spain:
The Succession Problem and Prospects for
Change in Foreign Policy"

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